

**P R I S M**

Law Department

March 10, 2000

Ms. Magalie Roman Salas  
Secretary  
445 Twelfth Street, S.W.  
TW-A325  
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: CC Docket No. 98-141, ASD File No. 99-49

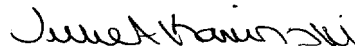
Dear Ms. Salas:

Prism Communication Services, Inc. ("Prism"), hereby submits an original and four (4) copies of its Reply Comments regarding the Request for Interpretation, Waiver, or Modification of the SBC/Ameritech Merger Conditions in the above-referenced proceeding.

Also enclosed is a Return Copy of this filing. Please date-stamp this copy and return it in the envelope included for that purpose.

Any questions regarding this filing should be directed to the undersigned counsel.

Very truly yours,



Julie A. Kaminski  
Deputy Chief Counsel-Telecommunications

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**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554**

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**MAR 10 2000**

**FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY**

In the Matter of	)	
	)	
Applications of Ameritech Corp., Transferor, and	)	CC Docket No. 98-141
SBC Communications, Transferee, For Consent To	)	
Transfer Control of Corporations Holding	)	
Commission Licenses and Lines	)	

**REPLY COMMENTS OF PRISM COMMUNICATION SERVICES, INC. IN  
OPPOSITION TO SBC'S REQUEST FOR INTERPRETATION, WAIVER OR  
MODIFICATION OF THE SBC/AMERITECH MERGER CONDITIONS**

Prism Communication Services, Inc. ("Prism") hereby submits its Reply Comments in response to the Commission's Public Notice<sup>1</sup> seeking comments on SBC Communication, Inc.'s ("SBC") Request for Interpretation, Waiver or Modification of the SBC/Ameritech Merger Conditions, as set forth in SBC's February 15, 2000 letter to the Commission.<sup>2</sup> Prism echoes the concerns raised by other carriers as to the anti-competitive effects of SBC's Project Pronto proposal. Foremost in this respect are the concerns that SBC's proposal will limit or prohibit the ability of competitive carriers to provide a combined voice and data service in SBC's territory. SBC's proposal involves more than just the single issue of the ownership of facilities. It raises serious concerns as to the future level of competition in the advanced services market. Prism submits that the Commission must view this matter in the larger context in order to promote the deployment of advanced services in SBC's territory.

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<sup>1</sup> In the Matter of the Applications of Ameritech Corp., Transferor, and SBC Communications, Inc., Transferee, For Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90 95 and 101 of the Commission's Rules, CC Docket 98-141, *Public Notice*, DA 00-335 (rel. Feb. 18, 2000).

<sup>2</sup> Letter dated February 15, 2000, from Paul K. Mancini, Vice President & Assistant General Counsel, SBC Communications, Inc., to Lawrence E. Strickling, Chief, Common Carrier Bureau, FCC ("SBC Letter").

Prism is an advanced services provider offering both voice (local and long distance) services and high-speed data services using an ADSL-type technology. As described in AT&T's comments, the information provided by SBC in its proposal fails to explain how (or if) a CLEC offering a combined voice and data service will be able to do so over SBC's proposed infrastructure. Prism should not be impeded in its efforts to provide customers a full service, one-stop shop for voice and data services. Stated differently, SBC and other incumbent carriers should not be allowed to set the rules such that they are the only providers of an integrated voice and data product. Customers can only lose if consigned to one provider for one-stop shopping.

Similarly, as voiced by many competitive carriers, SBC should not be allowed to dictate the network architecture, the services and data speeds, and the features, functions and capabilities of CLEC offerings.<sup>3</sup> This, however, is the practical effect of SBC's proposal. Wholly ignoring these realities, Bell Atlantic, who adopted the SBC/Ameritech merger conditions in connection with the Commission's approval of its 271 Application, supports SBC's proposal, claiming that it provides "for a wholesale offering that will facilitate the ability of all telecommunications providers to obtain non-discriminatory access to advanced services."<sup>4</sup> Not so. SBC's proposal allows the incumbents to offer the services they seek to offer and limits the ability of competitors to offer other services or to deploy different technologies. That is, it seeks to insinuate a monopoly environment in the advanced services market.

SBC's proposal should be rejected as nothing more than an attempt to game the system in order to block competition. This is made evident by the fact that SBC announced Project

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<sup>3</sup> See, e.g., Comments of the DSL Access Telecommunications Alliance at 13 ("SBC's proposal limits CLECs' choice of equipment vendors, CLECs' use of a variety of xDSL technologies, and the overall capabilities, including speed, of the advanced services CLECs can offer under SBC's proposal"); Comments of AT&T at 14 ("[a]ppendix DLE-DSL makes clear that SBC seeks to use its monopoly control over the loop infrastructure at the RT to impair advanced services competition and constrain consumer choice by impermissibly dictating the terms and conditions under which competitors may deploy high-frequency services over the SBC IIECs' networks"); Comments of MGC Communications, d/b/a Mpower Communications Corp. at 2 ("Project Pronto is a striking example of an ILEC seeking to control the pace and scope of competitive services offered to customers in its service area.")

<sup>4</sup> Joint Comments of Bell Atlantic and GTE at 2.

Pronto 10 days after gaining Commission approval of its merger with Ameritech.<sup>5</sup> Clearly, SBC knew that it was planing to undertake this project – and consequently that it would be requesting a waiver of the merger conditions – at the very time that it was negotiating the conditions with the Commission. The ink was not even dry on the Commission’s approval of the merger conditions before SBC announced Project Pronto. For this reason alone, and notwithstanding the anti-competitive effects of Project Pronto, Prism submits the Commission should reject SBC’s proposal.

### **Conclusion**

In the interests of the advancement of a competitive marketplace for advanced services and to block SBC’s attempts to game the system in order to establish a monopolistic market, Prism respectfully requests that the Commission reject SBC’s proposal and require SBC to abide by its obligations under the Merger Conditions and the terms of the Commission’s UNE Remand Order. Competitive carriers must be entitled to place and control their equipment in remote terminals and should not be required to use the equipment owned and deployed by SBC.

Respectfully submitted,

**PRISM COMMUNICATION SERVICES, INC.**

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March 10, 2000

<sup>5</sup> See <http://www.networkworld.com/news/1999/1018sbc.html?nf>.

**CERTIFICATE OF SERVICE**

I, Evelyn A. Opany, hereby certify that a true and correct copy of the Comments of Prism Communication Services, Inc. on SBC Request for Interpretation, Waiver or Modification of the SBC/Ameritech Merger Conditions in CC Docket No. 98-141 was served via Courier and U.S. Mail, postage pre-paid to the following individuals, this 10<sup>th</sup> March 2000.

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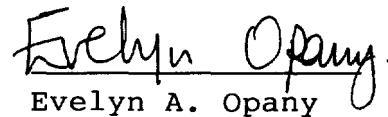
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